

In-sourcing Guidelines and Procedures

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PDASA, FMMR, OASA(M&RA)

NDAA 08 §§ 324; 807; 901

- NDAA08 §§324 and 807 direct establishment of in-sourcing and contractor inventory review process with special concerns for:
 - Inherently governmental functions
 - Closely associated with inherently governmental functions
 - Unauthorized personal services contracts (employee relationship)
- NDAA08 §324 directs USD(P&R) issue in-sourcing guidance and bars use of OMB A-76 process
- NDAA08 §324 directs DoD IG review and report back to Congress
- NDAA08 §901 repeals Major HQ limits, retaining separate limits on Secretariat and Army Staff
 - Annual report on increases
 - Intended to support in-sourcing

OSD Policies

Related to Contract Support

- DepSecDef Memo, Implementation of Section 324 of the National Defense Authorization Act for Fiscal Year 2008 – Guidelines and Procedures for In-sourcing New and Contracted Out Functions, 4 Apr 08
 - Provides for supplementation by Component's Manpower Authority
- DODI 1100.22, Guidance for Determining Workforce Mix, 7 Sep 06 (changed on 6 Apr 07)
- DUSD (P&P), OUSD (ATL) Draft Memo, Inventories and Reviews of Contracts for Services, TBD
 - Directs use of Army Contract Manpower (CMR) Reporting as DoD prototype

Army Manpower Mix Policies Related to Contract Support

- **SecArmy Memo, Accounting for Contract Services, 7 Jan 05**
 - Directs Contract Manpower Reporting (CMR) by function/mission, requiring activity, contracting activity, funding source and contract vehicle
 - Directs projection of contract manpower in PPBE
 - Memo specifically requested by VCSA, ASA(FM&C), ASA(AL&T), ASA(M&RA), 22 Nov 04
- **SecArmy Memo, Army Policy for Civilian Hiring and Initiation/Continuation of Contracts for Service Personnel, 23 Feb 06**
 - Directs Senior Commander/HQDA Principal responsibility for approval of all statements of work for contracts to procure services or to exercise options on existing contracts for services
 - Reporting through ASA(M&RA) to SecArmy

Army Manpower Mix Policies Related to Contract Support

- **SecArmy Memo, Lifting of Civilian Hiring Restrictions and Civilian Execution Plans, 2 Feb 07**
 - Provides for increased civilian authorizations by in-sourcing using G-3/5/7 concept plan process to validate requirements and savings
- **SecArmy Memo, Army Policy for Civilian Workforce Management and Service Contracts, 4 Sep 07**
 - Encourages in-sourcing for enduring requirements

Army Manpower Mix Policies Related to Contract Support

- ASA(M&RA) Guidance dated 8 May 2008 addresses following:
 - Continues concept plan process for in-sourcing
 - Enforces prohibition on unauthorized personal services contracts by requiring concept plan for any contract requirements performed in government facility
 - Enforces prohibition of inherently governmental contracts and discourages closely-associated with inherently governmental contracts by requiring concept plan for any contract requirements relating to security, acquisition support and PPBE support (excluding Information Technology support)
 - Continues SecArmy requirement for Senior Leader approval of contracted services
 - Modifies reporting requirement to support NDAA08 §807 contractor inventory via quarterly reporting through ASA(M&RA) to SecArmy
 - Requires annual justification of manpower requirements
 - Provides guidance for Major HQ in-sourcing and discourages other increases to Major HQ (Separate HQDA Limit remains)

Weblink for Policies

- For In-sourcing:
<http://www.asamra.army.mil/ref/insourcing>
- For Contractor Inventory related to In-sourcing:
<https://cmra.army.mil>
- For related Army FAIR Act policies:
<http://www.asamra.army.mil/ref/FAIR>

Contract Services Decision Tree

Is any task in the contract inherently governmental? (i.e., a “yes” response to any one of 33 questions on Worksheet A)

YES

Must in-source task

NO

Is any task “closely associated with inherently governmental functions”? (i.e., a “yes” response to any one of 20 questions on Worksheet B)

YES

Obtain approved concept plan and contract **or** in-source with abbreviated concept plan

NO

Does contract operate as a personal services contract? (i.e., a “yes” response to any one of 6 questions on Worksheet C)

YES

Is there a written legal opinion that supports one of the statutory exceptions for operating as a personal services contract?

NO

NO

In-source with abbreviated concept plan.

YES

Has function been performed by federal employees within the Army in the last 10 years?
Is the contract non-competitive/sole-source?
Has a contracting officer determined that contractor has performed poorly due to excessive costs or inferior quality?

Obtain approved concept plan for on-site operation of a personal services contract **or** in-source with abbreviated concept plan?

YES

NO

Contract allowed if the contract requirement has been documented in TAADS and SAMAS and the contract has been reported in CMRA/or has a CMRA reporting requirement in SOW.

A “yes” response to any one of these questions from Worksheet D requires “special consideration” for federal government employee performance. (i.e., in-source through abbreviated in-sourcing concept plan)

Quarterly Report Format

COMMAND [] F-Y 20[] QTR [1 2 3 4]													
Contract Number	Task Delivery Order Number	Contractor Manpower Equivalents (CME)S	In-sourcing?			Contracting?			Concept Plan Submission Date	Concept Plan Approval Date	Reported in CMRA?	Documented in TAADS / SAMAS?	Statutory Citation for Authorized Personal Services
			Inherently Governmental	Closely Associated w/ Inherently Governmental	Inappropriate Personal Services	Closely Associated w/ Inherently Governmental	Authorized Personal Services	Other					

Backup Slides

Relevant Statutes

- NDAA08 §324 directs the USD(P&R) to issue guidance for ensuring that consideration is given to DoD civilian employees to perform new functions and functions that are performed by contractors and could be performed by DoD civilian employees.
- NDAA08 §324 directs special consideration be provided to federal government employee performance of contracted work for
 - Any function that has been performed by DoD civilian employees at any time during previous 10 years;
 - Is a function closely associated with performance of an inherently governmental function;
 - Has been performed pursuant to a contract awarded on a non-competitive basis; or
 - Has been performed poorly by a contractor due to excessive costs or inferior quality work.
- NDAA08 §324 directs special consideration be provided to federal government employee performance of new requirements by DoD civilian employees
- NDAA08 §324 specifically bars the use of the OMB Circular A-76 processes to implement its requirements
- NDAA08 §324 provides for the use of flexible hiring authorities provided under NSPS
- NDAA08 §324 directs the use of a contractor inventory required by NDAA08 §807 to identify contracted functions that should be considered for performance by DoD civilian employees

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Relevant Statutes

- NDAA08 §807 directs DoD to submit to Congress not later than end of 3rd quarter each fiscal year an annual inventory of the activities performed during the preceding fiscal year pursuant to contracts for service. The inventory shall identify:
 - Missions and functions performed by contractor
 - Contracting organization, component of DoD administering the contract, and requiring activity
 - Funding source by appropriation and operating agency
 - Fiscal year the activity first appeared on inventory
 - Number of full time contract equivalents paid for performance of activity
 - Personal services determination
 - Other federal procurement data system data, such as contract number, type of contract, whether competitive or sole source
- NDAA08 §807 requires DoD to make the inventory available to the public and publish a notice in the Federal Register within 30 days after its submission to Congress

Relevant Statutes

- NDAA08 §807 directs Secretary of military departments to review contracts in inventory within 90 days of date of its submission to Congress for the following issues and to take appropriate corrective action:
 - Unauthorized personal services contracts (i.e. contractors operating as employees)
 - Contracts include inherently governmental functions
 - Contracts include functions closely associated with inherently governmental functions
 - Contracts should be considered for conversion to DoD civilian employee performance